

Education and Workforce Development Cabinet Limited employment opportunities, low wages await high school graduates who do not attend college, new Kentucky study shows

Press Release Date: Tuesday, July 29, 2014

Contact Information:

FRANKFORT, Ky. (July 25, 2014) — A new study of recent Kentucky high school graduates shows that approximately 60 percent of those who did not attend postsecondary education entered Kentucky's workforce and earned less than \$8,000 in the year following graduation.

The "No College = Low Wages" report by Kentucky Center for Education and Workforce Statistics (KCEWS) shows that even three years after graduation, of the students who entered the state's workforce who did not attend college, only one in three were working full time.

Charles McGrew, Ph.D., executive director of KCEWS and the author of the report, says the economic outlook for people who do not attend college or some other type of postsecondary school is not promising.

"Economic opportunities for the majority of our young high school graduates appear to be very limited. While high school graduates who found positions in manufacturing or energy and mining earned more on average than the others who were working in Kentucky, these segments accounted for a relatively small proportion of the graduates," McGrew said.

The center used data from the Kentucky Longitudinal Data System to determine in-state employment rates and wages for high school graduates who did not go to college from the classes of 2011, 2012 and 2013. The remaining 40 percent of the high school graduates who did not attend college most likely moved out of state, joined the military, worked in agriculture or some other capacity which is not reported to the state, said McGrew.

"This report should be a wake-up call for high school students who are planning their futures, said Thomas O. Zawacki, secretary of the Kentucky Education and Workforce Development Cabinet. KCEWS is in the cabinet. "It is clear now more than ever that education is the key to being able to earn a sustainable income. The good news for those who have already graduated is that it's never too late to go back to school and pursue a postsecondary education."

"This is clear evidence that high schools must do a better job in preparing all graduates to enter postsecondary education, whether it is a one-year, two-year, or four-year diploma or certification

program. Students must be prepared for credit-bearing work with the skills necessary to succeed in careers that pay a living wage,” said Education Commissioner Terry Holliday. “While we have made excellent progress in the last four years in addressing this situation, we have much more work to do to achieve our goal of college/career-readiness for all high school graduates.”

During fiscal year 2012-13, wages for those who had been out of school a year were less than \$8,000. Graduates who had been out of high school for two years earned just short of \$10,000, while those who had graduated three years before earned more than \$11,500, according to the report.

“Even after three years out of the high school, only about one out of three of the employed graduates who did not attend college were earning as much or more than a person who worked full-time at minimum wage, which is \$15,080 a year,” McGrew said.

According to the report, more than half of the group who did not pursue postsecondary school but found jobs in Kentucky was working in retail trade; accommodation and food service; and waste management and remediation services such as cleaning up hazardous waste, with average wages between \$7,000 and \$10,000 even three years after school. These industry categories account for three of the four lowest paying for these graduates.

“If ever there was a compelling reason to secure education beyond high school, this report says it all,” said Council on Postsecondary Education President Bob King, “Investing the time and modest funds to earn a certificate in any skilled trade, or an associate degree at KCTCS is a critical foundation for a middle class future.”

In addition, the wages are even lower for the high school graduates in the report who are females, African-American or come from lower income families, according to the report.

Some of the poorest populations had some of the lowest wages after high school suggesting that the inequalities between gender, race and social class are still very evident, the report said. On average, women and African-Americans in this group are earning nearly a third less than their counterparts. Graduates from low-income families, measured by their eligibility for free or reduced lunches in school, were less likely to be employed and earned less than other students.

According to McGrew, while wages for this group were disappointing overall, there were some positive findings in the report.

“People who complete postsecondary credentials earn considerably more than our students who do not go to college. However, when high school students take the opportunities to prepare themselves for the workforce and develop good work habits like good attendance while in school they can definitely improve their chances of making higher wages when they enter the workforce,” he said.

The report showed that graduates who did not go on to postsecondary school but began to prepare themselves for the workforce by having their skills assessed had noticeably higher wages than their counterparts who entered the labor force after high school. For example, graduates who passed the Kentucky Occupational Skill Standards Assessment (KOSSA), Work

Keys, and completed industry certification earned more on average than the students who did not participate.

To view the report, go to <http://kcews.ky.gov/Reports/NoCollegeLowWagesJuly2014.pdf>.

(30)

KCEWS collects and provides information about education and workforce at all levels to better inform policymaking statewide. It maintains the Kentucky Longitudinal Data System which securely links information from the Kentucky Department of Education (KDE), the Council on Postsecondary Education (CPE), the Education Professional Standards Board (EPSB), the Kentucky Higher Education Assistance Authority, and the Kentucky Education and Workforce Development Cabinet. For more information, go to <http://kcews.ky.gov>.